

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

INSITUFORM TECHNOLOGIES, INC.,

Plaintiff,

v.

AMERICAN HOME ASSURANCE COMPANY,

Defendant.

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Case No. 04 10487 GAO

AFFIDAVIT OF DAVID F. MORRIS

I, David F. Morris, being duly sworn, do hereby depose and state that I am the Senior Vice President and General Counsel of plaintiff, Insituform Technologies, Inc. (Insituform). The following is based on my personal knowledge or my investigation and is true and correct to the best of my knowledge.

1. At the onset of this case, Insituform stated in its initial disclosure that American Home's wrongful denial had an adverse impact on its earnings and that Insituform would seek consequential damages. Insituform's Rule 26(a)(1) Disclosure of May 4, 2004 stated:

As a consequence of American Home's wrongful denial, Insituform has had to book the entire loss against earnings, thereby officially driving down its fourth quarter earnings of 2003. Those damages are not yet computed due to incomplete information.

A true and correct copy of Insituform's Rule 26(a)(1) Disclosure of May 4, 2004 is attached as Exhibit A.

2. During discovery in this matter, American Home sought discovery of Insituform's audited financial information and its SEC filings, including its Form 10-K for 2004. Attached as Exhibit B is American Home's Second Set Of Requests For Production.

3. Attached as Exhibit C is a minuscrit copy of the deposition transcript of Larry Mangels.

4. Attached as Exhibit D is American Home's First Set Of Interrogatories and First Set of Production Requests.

5. As part of its Rule 26(a)(3) disclosure, Insituform provided American Home with spreadsheets, summaries and backup documentation quantifying the consequential damages Insituform incurred as a result of its failure to meet the required Fixed Charges Coverage Ratio at the close of fiscal 2004, true and copies of which are attached at Exhibit E.

6. In the wake of receiving Insituform's Rule 26(a)(3) disclosure, American Home has objected to Insituform's identification of certain summaries and documents concerning the calculation of consequential damages as constituting unfair surprise. Attached as Exhibit F is correspondence from American Home attorney Deschenes' of January 3, 2008 and Insituform's response of January 8, 2008.

Signed under the pain and penalties of perjury of this 8th day of January, 2008.



David F. Morris

CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the following document was served upon the attorney of record for the Defendant by virtue of electronically filing this document with the Court on the 8th day of January, 2008.

AFFIDAVIT OF DAVID F. MORRIS

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